

Personal Consumption Expenditures for Medical Care

Estimates of personal consumption expenditures for medical care items have been revised by the National Income Division of the Office of Business Economics in the Department of Commerce. The expenditure figures, which have been revised back to 1948, are being issued early in 1959 in U.S. Income and Output, a special supplement to the *Survey of Current Business*. They will appear in table II-4 in place of the previous table 30.

Below and on the next page are tabulated the personal consumption expenditures for medi-

cal care by type of product, in dollars and in percentage, for 1929 and 1933, which are unchanged; for 1948, 1950, and 1952-56, which have been revised; and for 1957, which are in the current series.

For 1956, the revised total of personal consumption expenditures for medical care is almost \$2 billion higher than the earlier total. Of that increase, \$1 billion, or more than 50 percent, is the result of upward revisions in estimates for drugs and sundries expenditures; \$600 million, or 31 percent, for dentists; and \$200 million, or more than 10 percent, for ophthalmic products and orthopedic appliances. Drugs and other commodity categories in the medical care expenditure estimates together

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Personal consumption expenditures for medical care by type of product, current and old series, for selected years, 1929, 1933, 1948, 1950, 1952-57¹

Expenditures	1929 ²	1933 ²	1948	1950	1952	1953	1954	1955	1956	1957
	Amount (in millions of dollars)									
Total: Current series.....	\$2, 937	\$1, 983	\$7, 749	\$8, 741	\$10, 172	\$11, 072	\$11, 925	\$12, 827	\$14, 048	\$15, 051
<i>Old series.....</i>			<i>7, 385</i>	<i>8, 276</i>	<i>9, 397</i>	<i>10, 107</i>	<i>10, 603</i>	<i>11, 273</i>	<i>12, 106</i>	
Drug preparations and sundries.....	604	427	1, 466 <i>1, 358</i>	1, 719 <i>1, 406</i>	2, 058 <i>1, 569</i>	2, 137 <i>1, 615</i>	2, 163 <i>1, 631</i>	2, 473 <i>1, 747</i>	2, 869 <i>1, 885</i>	3, 098
Ophthalmic products and orthopedic appliances.....	131	92	431 <i>427</i>	486 <i>479</i>	580 <i>561</i>	604 <i>577</i>	595 <i>566</i>	685 <i>572</i>	814 <i>612</i>	873
Physicians.....	959	617	2, 327 <i>2, 203</i>	2, 427 <i>2, 435</i>	2, 657 <i>2, 676</i>	2, 840 <i>2, 815</i>	3, 109 <i>2, 913</i>	3, 189 <i>3, 070</i>	3, 470 <i>3, 269</i>	3, 693
Dentists.....	482	276	900 <i>833</i>	961 <i>869</i>	1, 098 <i>906</i>	1, 234 <i>943</i>	1, 406 <i>975</i>	1, 508 <i>1, 017</i>	1, 625 <i>1, 070</i>	1, 705
Other professional services.....	250	138	445 <i>423</i>	482 <i>476</i>	544 <i>529</i>	586 <i>559</i>	634 <i>583</i>	653 <i>610</i>	697 <i>646</i>	734
Privately controlled hospitals and sanitariums.....	403	363	1, 621 <i>1, 591</i>	2, 037 <i>1, 975</i>	2, 486 <i>2, 398</i>	2, 729 <i>2, 635</i>	2, 962 <i>2, 857</i>	3, 229 <i>3, 123</i>	3, 518 <i>3, 451</i>	3, 884
Medical care insurance and hospital insurance.....	108	70	559 <i>550</i>	629 <i>636</i>	749 <i>758</i>	942 <i>963</i>	1, 056 <i>1, 078</i>	1, 090 <i>1, 134</i>	1, 055 <i>1, 173</i>	1, 064

¹ Current figures in roman type; old series in italics. ² Estimates unchanged prior to 1948.

SOURCES: Data for 1929 and 1933 and old series for 1948 and 1950 from U.S. Office of Business Economics: National Income, 1954 edition, A Supplement to the Survey of Current Business, table 30, pp. 206-207; old series

account for more than 60 percent of the increase in the total estimate for 1956. Medical care expenditures are 5.2 percent of all personal consumption expenditures in the revised series as compared with 4.5 percent in the old series.

The revisions are the result of new benchmarks and newly applied techniques for estimating personal consumption expenditures, and indicate changes in the distribution pattern of personal consumption expenditures. A detailed description of the technical aspects of the new series will appear in the Department of Commerce publication.

The revisions for commodity categories, such as drug preparations and sundries, and ophthalmic products and orthopedic appliances, are based on new Census of Manufactures and Census of Business benchmark material for 1954 and census survey data for 1950 and 1956, in place of the former preliminary extrapolations of the 1947 benchmark data.

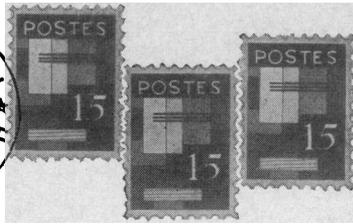
Service categories, such as physicians and dentists, are now based on current Internal Revenue Service data for gross receipts in tax returns for the period 1953-56, in place of extrapolations from earlier income figures.

Medical care as a percentage of the consumer dollar, that is, the dollar spent for goods and services, increased considerably between 1929 and 1957, but at an uneven rate. Reduction of economic activity in the depression years was reflected in a drop in the dollar volume of expenditures for medical care from \$2.9 billion in 1929 to just under \$2 billion in 1933, although the proportion of medical care to total personal consumption expenditures increased from 3.7 percent to 4.3 percent. From 1933 to 1948, the proportion vacillated between 4.0 and 4.3 percent, then began a steady rise. By 1957 medical care represented 5.3 percent of the consumer dollar, a rise to 140 percent of the 1929 ratio of 3.7 percent and the highest percentage on record.

Personal consumption expenditures for medical care by type of product, current and old series, for selected years, 1929, 1933, 1948, 1950, 1952-57¹—Continued

Expenditures	1929 ²	1933 ²	1948	1950	1952	1953	1954	1955	1956	1957
	Percentage distribution									
Total: Current series	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Old series			100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Drug preparations and sundries...	20.6	21.6	18.9 18.4	19.7 17.0	20.2 16.7	19.3 16.0	18.1 15.4	19.3 15.5	20.4 15.6	20.6
Ophthalmic products and orthopedic appliances.....	4.5	4.6	5.6 5.8	5.6 5.8	5.7 6.0	5.5 5.7	5.0 5.3	5.3 5.1	5.8 5.1	5.8
Physicians.....	32.6	31.1	30.0 29.8	27.8 29.4	26.1 28.5	25.7 27.9	26.1 27.5	24.9 27.2	24.7 27.0	24.5
Dentists.....	16.4	13.9	11.6 11.3	11.0 10.5	10.8 9.6	11.1 9.3	11.8 9.2	11.8 9.0	11.6 8.8	11.3
Other professional services.....	8.5	7.0	5.7 5.7	5.5 5.8	5.3 5.6	5.3 5.5	5.3 5.5	5.1 5.4	5.0 5.3	4.9
Privately controlled hospitals and sanitariums.....	13.7	18.3	20.9 21.5	23.3 23.9	24.4 25.5	24.6 26.1	24.8 26.9	25.2 27.7	25.0 28.5	25.8
Medical care insurance and hospital insurance.....	3.7	3.5	7.2 7.4	7.2 7.7	7.4 8.1	8.5 9.5	8.9 10.2	8.5 10.1	7.5 9.7	7.1

for 1952-56 from U.S. Office of Business Economics: Survey of Current Business, National Income Number, July 1957, table 30, p. 21. New series from U.S. Office of Business Economics: U.S. Income and Output, 1959, table II-4, pp. 150-151.



A Vessel for Chiloe

We are taking steps to obtain an 80-foot vessel to serve as a marine clinic for some 40,000 people who live on remote islands or inlets in Chiloe Province.

The province, 650 miles south of Santiago, Chile, has one of the country's highest general and infant death rates. About 25,000 of its inhabitants live in small towns on the mainland.

A doctor, a dentist, and sanitation aides use a 50-foot boat, purchased by the National Health Service 2 years ago, to visit some 15,000 others living in sheltered inlets or on nearby islands. But most of the people are receiving no care. Only a larger craft, with quarters for a crew and medical staff, can travel for several days through the rough seas and stormy weather of latitude 40° S. to reach these islands.

—G. HOWARD GOWEN, M.D., *chief public health adviser, U. S. Operations Mission, Chile.*

M.D.'s for Vietnam

Despite formidable handicaps, the medical school of the University of Saigon is training increasing numbers of the physicians Vietnam needs. The country has only 350 for its 12 million people; of these, 160 are in government service, 160 in military service, and 30 in private practice.

When Vietnam was partitioned in 1954, the mixed faculty of medicine and pharmacy moved from Hanoi, where its main physical plant was located, to Saigon. Classes were scattered to temporary quarters in 17 different locations in the city. Enrollment soared, reaching more than 500 students, too many for the school's permanent teaching faculty of 30.

Assistance from the U. S. Operations Mission has been concentrated on increasing the teaching staff and providing adequate physical facilities. Young faculty members receive fellowships to study abroad to prepare for teaching careers in medicine. Visiting professors from the United States come to

Saigon to assist in developing understaffed departments. The Vietnam Government agreed to defer some young physicians from their obligatory military service immediately upon graduation so that they can accept fellowships, and when they are inducted later, to assign them, as their military duty, to teach at the medical school.

The 6-year curriculum was changed to allow for a regular internship in the 5th year and a rural internship at a provincial hospital in the 6th year. A contract to construct a Saigon medical center, with a basic science building and a teaching hospital, is being negotiated.

—CRAIG S. LICHTENWALNER, M.D., *public health physician, medical education project, U. S. Operations Mission, Vietnam.*

The Engineer

The water supply system of Manaus, Brazil, a city of 100,000 at the fork of the Amazon and Negro Rivers, has been under reconstruction under Serviço Especial Saúde Pública auspices for many years. Because funds for the work came from third parties, progress was irregular. Most of the money was spent on pumping and distribution facilities. Water treatment could not be started until distribution was widened, enabling the system to increase its rates and, consequently, its income.

However, 6 months after the city hired a competent engineer and gave him the authority to operate the system, water revenues tripled and they continue to increase. The system will soon be paying for itself.

—E. ROSS JENNEY, M.D., *chief, Health and Sanitation Division, U. S. Operations Mission, Brazil.*

Salt Monopoly

The Bank of the Republic, which holds the salt monopoly in Colombia, is contributing to food research. Bank officials in compliance with a decree will give one centavo from the sale of each pound of iodized salt manufactured and sold in Colombia to the National Institute of Nutrition. The institute will use the funds, which may total 3 million pesos annually, to improve the nutrition of the Colombian people.

—VERNON B. LINK, M.D., *director, Public Health Division, U. S. Operations Mission, Colombia.*